

Michigan Milk Producers Association

Presentation to:

*The Michigan House Agriculture
Committee -- May 10, 2005*

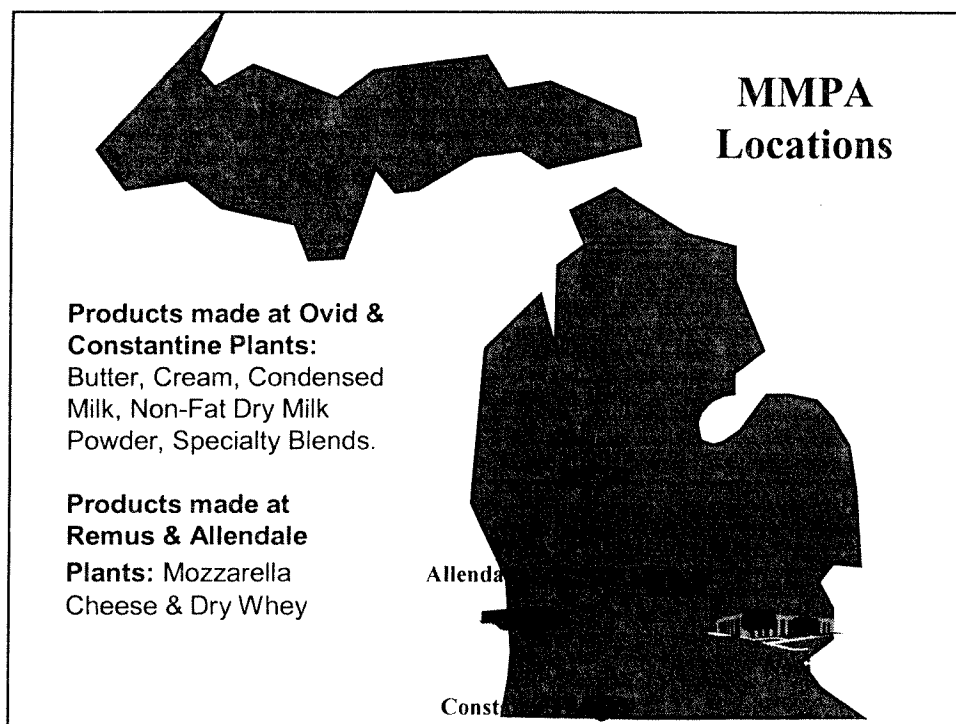
Michigan Milk Producers Association



- Formed in 1916
- 2,500 members representing 1,700 farms
- Members in Michigan, Ohio, Indiana and Wisconsin.
- Markets 3.3 billion pounds of milk annually.
- 11th largest dairy cooperative in the United States.

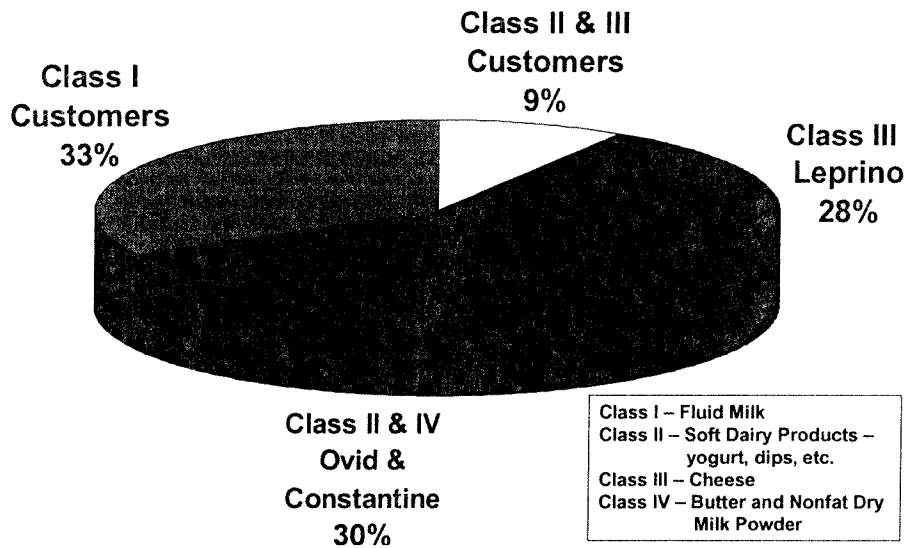
Michigan Milk Producers Association

Mission Statement:
***To Market MMPA Members' Milk to
the Greatest Advantage
Possible.***

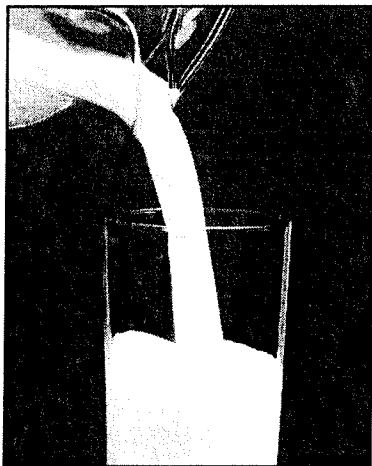


Milk Marketed by MMPA

3.3 billion pounds a year



Michigan's Dairy Industry



- Ranks 8th nationally
- Top ranking segment of Michigan's number two industry: agriculture.
- Contributes approximately 25% of Michigan's cash receipts for agriculture.
- Represents approximately 3.5% of total U.S. milk production.

Dairy Industry's Impact on Michigan's Economy

**\$792
million**

**Average
Michigan Dairy
Farm Receipts,
1998 - 2003**



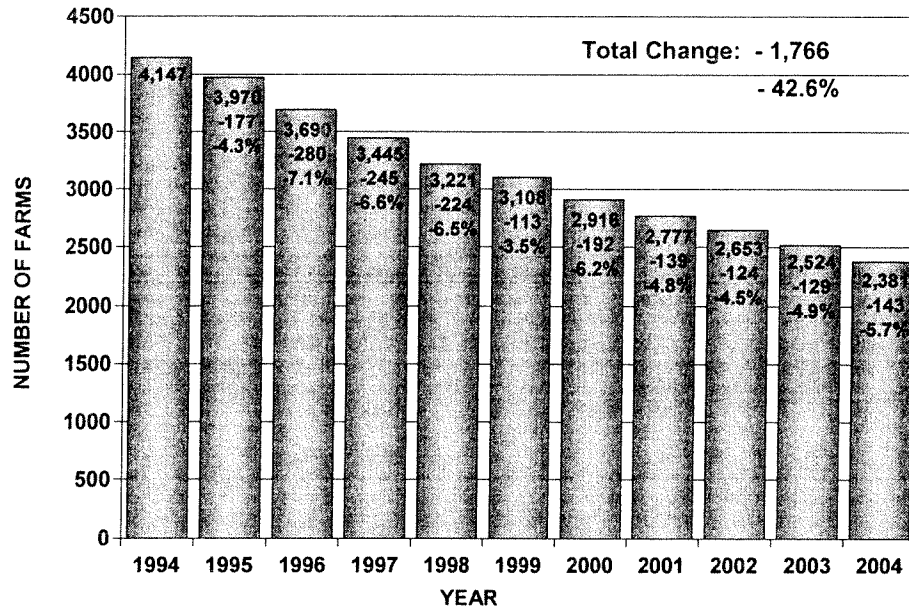
\$1.9 billion
**Impact on Michigan's
Economy**

Source: USDA/NASS; Bureau of Economic Analysis; National Milk Producers Federation

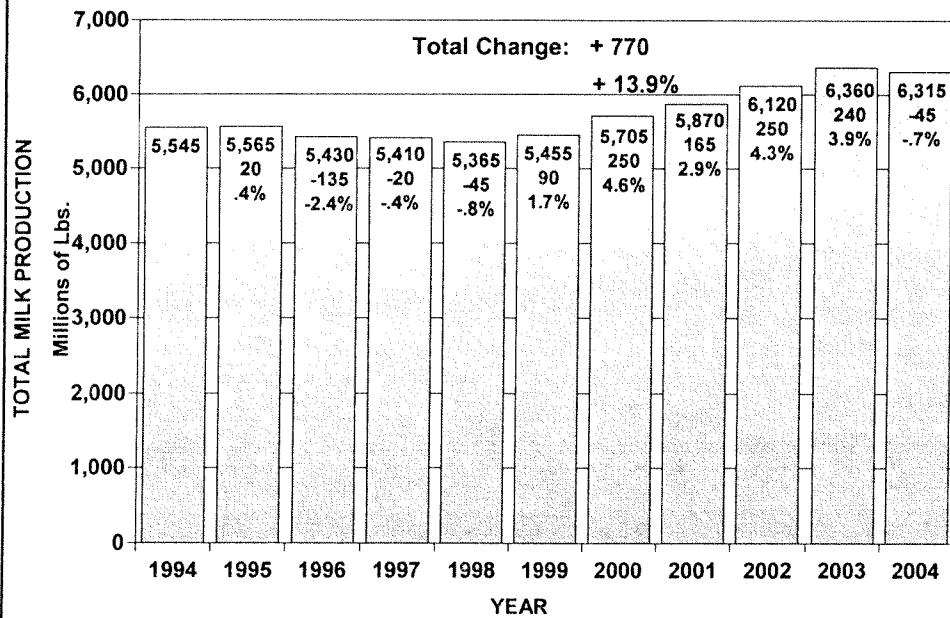
ISSUES FACING MICHIGAN'S DAIRY INDUSTRY

- **DECLINING FARM NUMBERS**
 - INCREASING DAIRY FARMER RETIREMENTS
 - LOW MILK PRICES IN 3 OF LAST 5 YEARS
 - SUBSTANTIAL MILK PRICE VOLATILITY
- **DAIRY FARMS MUST BE ABLE TO GROW**
 - TO BE ECONOMICALLY VIABLE
 - TO MAINTAIN MILK VOLUME TO SERVE THE STATE'S DEMAND

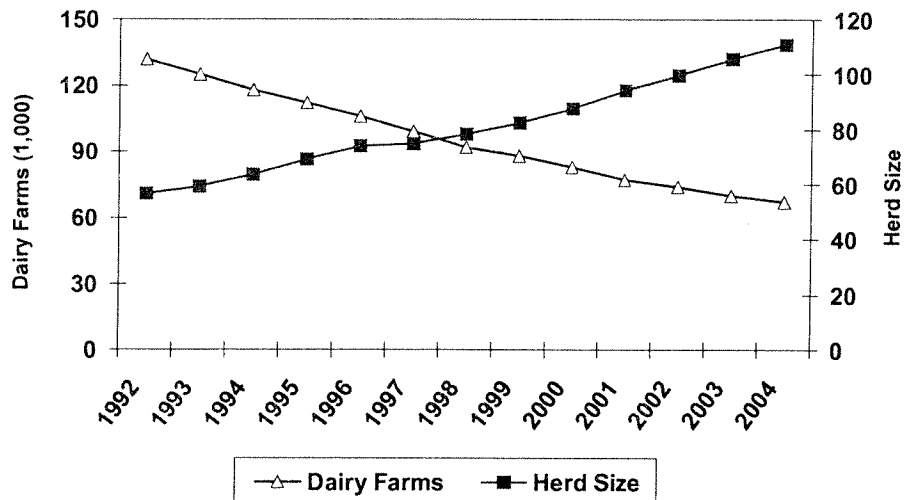
MICHIGAN GRADE A FARMS - YEARLY COMPARISON 1994-2004



MICHIGAN - MILK PRODUCTION - YEARLY COMPARISON 1994-2004



U.S. Dairy Farms & Average Herd Size 1992 - 2004



ISSUES FACING MICHIGAN'S DAIRY INDUSTRY

REMEDIES FOR LOW MILK PRICES

- **PREMIUMS ADDED TO MINIMUM FEDERAL ORDER MILK PRICES- MICHIGAN SUPERPOOL**
 - MICHIGAN SUPERPOOL IS VOLUNTARY
 - VOLUNTARY POOLS CAN BREAK DOWN
 - 1992, 1997, 2005(?)
- **STATE MILK MARKETING ORDER**
 - PROPOSED LEGISLATION IN 1997
 - MANDATORY EQUAL SHARING OF OVER-ORDER PRICES
- **FEDERAL LEGISLATION FOR MILK COMPACTS**
 - REGIONAL COMPACTS REQUIRE STATE MILK ORDERS

ISSUES FACING MICHIGAN'S DAIRY INDUSTRY

- **INCREASING REGULATORY REQUIREMENTS**

- MDEQ – Mi. Dept. of Environmental Quality
- NRCS – Natural Resources Conservation Services
- EPA – Clean Water & Clean Air Acts

- **URBAN SPRAWL**

- PRESSURES ON AGRICULTURAL PRODUCTION
- PRESSURES ON MICHIGAN RIGHT TO FARM

ISSUES FACING MICHIGAN'S DAIRY INDUSTRY

- **INCREASING REGULATORY REQUIREMENTS**

- MI. DEPT. OF ENVIRONMENTAL QUALITY
 - CAFO'S – CONCENTRATED ANIMAL FEEDING OPERATIONS
 - ANIMAL COMPOSTING LEGISLATION
 - AIR QUALITY / EMISSION ISSUES
 - WATER USE LEGISLATION & MONITORING
 - MDEQ ADVISORY COUNCIL

ISSUES FACING MICHIGAN'S DAIRY INDUSTRY

- **BUDGET ISSUES FOR:**
 - MICHIGAN DEPARTMENT OF AGRICULTURE
 - MSU EXTENSION
 - MSU AG EXPERIMENT STATIONS

ISSUES FACING MICHIGAN'S DAIRY INDUSTRY

- **LARGE ANIMAL VETERINARY PRACTICE**
 - DECLINING NUMBERS OF LARGE ANIMAL VETS
 - VERY SMALL PERCENTAGE OF MSU STUDENT PREFERENCE FOR LARGE ANIMALS
- **MSU ANIMAL SCIENCE DEPARTMENT IS CREATING A "PRODUCTION MEDICINE SCHOLARS PROGRAM"**